



Minnesota Pollution Control Agency

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December 30, 2015

Mr. Lawrence Sutherland, General Manager
U.S. Steel Minnesota Operations
U.S. Steel Corporation – Minntac
P.O. Box 417
Mountain Iron, Minnesota 55768-0417

RE: Alleged Violations Letter – U.S. Steel Minntac, NPDES/SDS Permit No. MN0057207

Dear Mr. Sutherland:

On September 8, 2015, the Minnesota Pollution Control Agency (MPCA) staff completed a review of files associated with your National Pollutant Discharge Elimination System (NPDES)/State Disposal System (SDS) Permit (permit) No. MN0057207 and identified the following alleged violations.

This letter describes actions you should take to correct the violations.

We will consider your response in determining whether and what level of enforcement action is appropriate, which may include a monetary penalty. If we do not receive a response, we will assume the violations listed are accurate.

Please note, on September 8, 2015, MPCA staff sent an email to U.S. Steel Minntac (Regulated Party) staff indicating that the discharge described below was not authorized by the permit and that there should have been advance notification of the intent to discharge per Chapter 7 Part 9.1 (Anticipated Bypasses) of the permit. Upon further consideration, based upon discussions that occurred between Regulated Party staff and MPCA staff subsequent to start-up of the Seepage Collection and Return System (see below), MPCA staff provided consistent notification to the Regulated Party that reasonable alternatives to bypassing exist during maintenance or other activity and that a bypass would not be authorized. Therefore, Chapter 7 Part 9.1 of the permit is not applicable to the discharge that is the subject of the alleged violations.

Alleged Violations

1. NPDES/SDS Permit No. MN0057207 Chapter 2 Part 4.2 states:

Upon completion of construction of the Seepage Collection and Return System (SC&R) and commencement of its operation, all water formerly reporting to SD002 will be captured and pumped back into the tailings basin clear pool, effectively eliminating the discharge through the currently permitted outfall.

The Regulated Party reported on the cover letter submitted with the June 2015 DMRs for NPDES/SDS Permit No. MN0057207 (received July 21, 2015) that "Collected surface seepage from the southeast tailings side of the Tailings Basin perimeter dike was discharged through Outfall SD002 over a period of 4 hours on 6/16/15..." The DMR for the June 2015 reporting period indicated that 0.19 million gallons was discharged.

The Regulated Party completed construction of the SC&R in July 2010. The June 16, 2015, discharge at SD002 was therefore a violation of the permit.

After issuance of the above modified permit, Regulated Party (Tom Moe) and MPCA staff (Jeff Udd) had a telephone conversation regarding the new requirements of the modified permit and its implication for any potential discharges associated with maintenance of the SC&R. The MPCA staff person informed the Regulated Party staff that any discharge associated with maintenance of the SC&R would be considered a violation of the permit.

On a separate occasion, MPCA staff (Erik Smith) informed Regulated Party staff (Tom Moe) that a proposed discharge of groundwater from a monitoring well as part of a draw down pump test would not be authorized by the permit and that the groundwater should be discharged to the tailings basin instead. This conversation occurred prior to the June 16, 2015, release and further indicates the consistent position of the MPCA on any proposed discharges.

2. NPDES/SDS Permit No. MN0057207 Chapter 7 Part 10.1 states:

The Permittee shall properly operate and maintain the systems used to achieve permit compliance. Proper operation and maintenance includes effective performance, adequate funding, adequate staffing and training, and adequate laboratory controls, including appropriate quality assurance procedures (Minnesota Rules, pt. 7001.0150, subp. 3.F)

NPDES/SDS Permit No. MN0057207 Chapter 7 Part 10.1 states:

The Permittee is responsible for insuring system reliability and shall install adequate backup or support systems to achieve permit compliance and prevent the discharge of untreated or inadequately treated waste. These systems may include alternative power sources, auxiliary treatment works and sufficient storage volume for untreated wastes. (Minnesota Rules, pt. 7001.0150, subp. 3.F)

The Regulated Party failed to take actions to prevent the discharge at SD002 during the SC&R maintenance activity completed by the Regulated Party on June 16, 2015.

3. NPDES/SDS Permit No. MN0057207 Chapter 7 Part 8.1 states:

The Permittee shall notify the Minnesota Department of Public Safety Duty Officer at (800)422-0798 or (651)649-5451 immediately of the discharge, accidental or otherwise, of any substance or material under its control which, if not recovered, may cause pollution of waters of the state. Notification is not required for a discharge of five (5) gallons or less of petroleum. (Minnesota Statutes, section 115.061)

On June 16, 2015, the Regulated Party discharged wastewater to waters of the state for which it was not authorized and failed to report the discharge immediately but reported the discharge on its monthly Discharge Monitoring Report on July 21, 2015.

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Corrective Action

Within fifteen days you must:

Provide a written response indicating what measures will be taken to ensure compliance with the permit if/when maintenance of the SC&R occurs in the future. The response must indicate alternative measures for transferring wastewater to the tailings basin to avoid discharging at SD002.

Responding to this letter and completing the corrective actions does not prevent us from issuing an enforcement action. We reserve the right to pursue any and all remedies available under law as an appropriate response to these violations.

We will contact you to discuss next steps in this process. In the meantime, please contact me at 218-302-6616 if you have any questions or need assistance.

Sincerely,

John Thomas

This document has been electronically signed.

John Thomas
Environmental Specialist 3
MPCA - Duluth Office
Industrial Division

JT:slm

cc: **Chrissy Bartovich**, U.S. Steel Minntac
Michael Schmidt, MPCA Attorney
Jeff Stollenwerk, MPCA
Scot Sokola, MPCA
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